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**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

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| In re | : Chapter 11 Case No. |
| LEHMAN BROTHERS HOLDINGS INC., <i>et al.</i> , | : 08-13555 (JMP) |
| Debtors. | : (Jointly Administered) |
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**NOTICE OF TENTH SUPPLEMENTAL DECLARATION
OF ALVAREZ & MARSAL NORTH AMERICA, LLC IN
CONNECTION WITH ITS EMPLOYMENT AND RETENTION**

PLEASE TAKE NOTICE that, on September 8, 2010, Lehman Brothers Holdings Inc. ("LBHI") and its affiliated debtors in the above-referenced chapter 11 cases, as debtors and debtors in possession (together, the "Debtors") filed the attached Tenth Supplemental Declaration of Alvarez & Marsal North America, LLC in compliance with the Order Approving Application Pursuant to Sections 105(a) and 363(b) of the Bankruptcy Code

for Authorization to Employ and Retain Alvarez & Marsal North America, LLC.

Dated: September 8, 2010
New York, New York

/s/ Richard P. Krasnow
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| Debtors. | : |
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**Chapter 11 Case No.
08-13555 (JMP)
(Jointly Administered)**

TENTH SUPPLEMENTAL DECLARATION OF ALVAREZ & MARSAL NORTH AMERICA, LLC IN CONNECTION WITH ITS EMPLOYMENT AND RETENTION

John Suckow makes this declaration under 28 U.S.C. § 1746, and states:

1. I am a Managing Director with Alvarez & Marsal North America, LLC (together with its wholly owned subsidiaries, affiliates (all of which are owned by Alvarez & Marsal North America, LLC's parent company and employees), agents, independent contractors, and employees, "A&M"), a restructuring advisory services firm with numerous offices throughout the world. Unless otherwise stated herein, I have personal knowledge of the facts set forth herein or have been informed of such matters by professionals of A&M. To the extent any information disclosed herein requires amendment or modification upon A&M's completion of further review or as additional party in interest information becomes available to it, a further supplemental declaration reflecting such amended or modified information will be submitted to the Court.

2. A&M has previously submitted declarations dated October 8, 2008 [Docket No. 760]; November 4, 2008 [Docket No. 1366]; November 17, 2008 [Docket No. 1559]; February 6, 2009 [Docket No. 2754]; May 19, 2009 [Docket No. 3606]; September 16, 2009 [Docket No. 5196]; November 4, 2009 [Docket No. 5706]; November 25, 2009

[Docket No. 5947]; February 19, 2010 [Docket No. 7173]; and June 18, 2010 [Docket No. 9671] (collectively the “Declarations”) in support of the October 8, 2008 application (the “Application”) of Lehman Brothers Holdings Inc. (“LBHI”) and its affiliated debtors in the above referenced chapter 11 cases, as debtors in possession (together the “Debtors” and collectively with their non-debtor affiliates “Lehman”), pursuant to sections 105(a) and 363(b) of chapter 11 of the United States Code (the “Bankruptcy Code”) for Authorization to Employ and Retain Alvarez & Marsal North America, LLC to Provide the Debtors With a Chief Restructuring Officer and Additional Personnel, and to Appoint the Chief Restructuring Officer *Nunc Pro Tunc* to September 15, 2008. [Docket No. 760].

3. On December 17, 2008, the United States Bankruptcy Court for the Southern District of New York entered an order approving the Application and the Debtors’ employment and retention of A&M. [Docket No. 2278].

4. I am submitting this Tenth Supplemental Declaration to publicly disclose certain additional information that has become available to A&M since the filing of the Declarations.

Additional Parties In Interest

5. As set forth in the Declarations, and in connection with its proposed retention by the Debtors in these cases, A&M has undertaken an ongoing analysis to determine whether it has any conflicts or other relationships that might cause it not to be disinterested or to hold or represent interests adverse to the Debtors.

6. Specifically, A&M periodically receives from the Debtors, and/or their representatives, a list of the names of individuals and entities that may be parties-in-interest in these chapter 11 cases (the “Potential Interested Parties”). A&M then provides

this list to all of its employees worldwide and conducts a query of such Potential Interested Parties in a database containing the names of individuals and entities that are represented by A&M.

7. A&M last received an updated list from the Debtors which, in addition to those parties reviewed for the prior Declarations, included additional Potential Interested Parties under the following categories identified by the Debtors: (1) “Potential Parties in Interest,” and (2) “Principal Investments.”

8. The results of A&M’s latest inquiry are listed below (in addition to matters disclosed in prior Declarations).

A&M’s Connections with Parties in Interest

a. A&M is currently advising or has previously advised the following Potential Interested Parties or their affiliates (or, with respect to those that are investment funds, the funds’ managers or other funds managed by such managers) as creditors or on various official creditors’ committees in which these Potential Interested Parties or their affiliates were members or which represented the interests of these Potential Interested Parties or their affiliates in matters unrelated to the Debtors’ chapter 11 cases:

- BHF Bank Aktiengesellschaft
- Grayson Ventures Limited
- HBK Master Fund L.P.
- Janus Capital Management LLC
- Nexen Energy Marketing Europe Limited
- Ore Hill Hub Fund Ltd.
- TCW Absolute Return Credit Fund, L.P.

b. A&M is currently providing or has previously provided certain consulting services to the following Potential Interested Parties or their affiliates in

matters unrelated to the Debtors' chapter 11 cases:

- 3i Group PLC
- American Express
- Ace America Insurance Company
- Banco Santander
- Bank of Ireland
- Bayview Financial, L.P.
- Capital One, N.A.
- Centerbridge Partners
- Countrywide Home Loans Servicing LP
- Fonds Commun De Placement Tait Bout
- Linn Energy, LLC
- Louis Dreyfus Energy Services LP
- Radisson Seven Seas France
- Raiffeisen Zentralbank Osterreich AG
- RWE Supply & Trading Gmb
- Samsung Life Insurance Co., Ltd.

c. With respect to the following investment funds which have been identified

as Potential Interested Parties, A&M currently provides or has previously

provided certain consulting services to these funds or their fund managers

or other funds managed by such managers in matters or transactions

unrelated to the Debtors' chapter 11 cases:

- Cyrus Capital Partners, L.P.
- Davidson Kempner Distressed Opportunities
- HBK Master Fund L.P.
- Lydian Overseas Partners Master Fund Ltd.
- Marathon Credit Opportunity Master Fund

d. The following Potential Interested Parties or their affiliates (or their fund

managers or certain other funds managed by their fund managers) are

significant equity holders of other clients or former clients of A&M:

- 3i Group PLC
- Bankers Life and Casualty Company
- BlueBay Asset Management PLC
- Brahman C.P.F. Partners, LP
- BTR Global Opportunity Trading Limited
- Canpartners Investments IV, LLC
- Cheyne Leverage Fund L.P.
- Davidson Kempner Distressed Opportunities
- Fairfax Financial Holdings Limited
- HBK Master Fund L.P.
- Janus Capital Management LLC
- Noonday Offshore, Inc.
- Paloma Industries
- Providence Equity Partners IV L.P.
- Samsung Life Insurance Co., Ltd.
- Tetra Tech, Inc.
- TCW Absolute Return Credit Fund, L.P.
- ZAO KB Citibank

e. The following professionals have represented clients in matters where

A&M was also advisor, or provided crisis management, to the same
clients:

- Chadbourne & Parke LLP
- Gibson Dunn & Crutcher LLP
- Mayer Brown LLP¹

f. Richard Witten is a board member of another client or former client of

A&M or its affiliates in wholly unrelated matters.

g. As disclosed in a prior Declaration, A&M has been retained to advise

counsel to the ad hoc steering committee of senior lenders (the “Steering
Committee”) to Consec, Inc. and its subsidiaries and affiliates. Though

Lehman is not a member of the Steering Committee, Lehman holds

¹ These professionals represent A&M and/or an affiliate on wholly unrelated matters.

approximately \$3.75 million in obligations in one related loan facility which has an aggregate outstanding amount of approximately \$60 million. The members of the Steering Committee, in aggregate, control more than fifty percent of Consecos's senior loan debt. The updated list of Potential Interested Parties provided to A&M since the prior Declarations includes Bankers Life and Casualty Company ("Bankers Life") and Washington National Insurance Company ("Washington National"). Bankers Life and Washington National are part of the Consecos group of companies.

Other Relationships

9. A&M also becomes aware, from time to time, of relationships it has with parties-in-interest to the Debtors' cases that are not on the list of Potential Interested Parties provided by the Debtors ("Additional Parties-In-Interest"). In addition to the matters disclosed in the prior Declarations, the following relationships with Additional Parties-In-Interest have come to our attention since the filing of the last Declaration:
 - a. A&M provides diligence and advisory services to a client (the "Client") in connection with its evaluation of a potential investment in a company that manages a group of real estate funds (the "Target"). One of the funds has a partnership agreement with a Debtor with respect to a particular real estate project (the "Lehman/Target Fund JV"). A&M's diligence review is limited to the Target's information technology systems surrounding reporting on and distribution of funds to investors in the Target's managed funds. A&M does not believe that the systems it is reviewing have an effect on the Lehman/Target Fund JV.

- b. An A&M affiliate provides business consulting services to Aurora Bank (“Aurora”), a non-debtor affiliate of the Debtors. An A&M employee, in his capacity as an officer of the Debtors, is a member of Aurora’s board of directors. The services provided to Aurora are unrelated to the Debtors and their Chapter 11 cases.
- c. A&M provides advisory and interim management services to Broadcliff LLP (“Broadcliff”) with respect to matters relating to information technology. Broadcliff is an international real estate asset management company formed by former employees of the Debtors. Broadcliff recently purchased the Debtors’ asset management contracts with respect to the Debtors’ real estate private equity funds globally. The Debtors’ have retained significant general and limited partnership interests in the funds for which Broadcliff provides asset management services. In addition, the Debtors provided Broadcliff with a \$2.5 million secured working capital loan facility to support Broadcliff’s start-up phase and the Debtors and Broadcliff have entered into a transition services agreement (“TSA”) under which the Debtors will provide Broadcliff with space and IT support for US operations through October 2010. A&M’s role for Broadcliff will, at least until the termination of the TSA, be focused on Broadcliff’s European and Asian information technology infrastructure and, therefore, will have no bearing on the TSA. In any event, A&M will not advise Broadcliff (or participate on their behalf) in any dispute with the Debtors (of which none are currently known).

d. Lehman holds limited partnership interests in certain private equity funds (the “Lehman PE Entities”). A&M provides advisory services to the Lehman PE Entities listed below or, as is generally the case, to such Lehman PE Entities’ fund managers or portfolio companies or such fund managers’ other managed funds or such other managed funds’ portfolio companies.

- Apax Partners US VII
- Ares Capital Europe LP NPV USD
- Bain Capital Fund VII, L.P.
- Bain Capital X, LP
- Blackstone Capital Partners IV, L.P.
- Carlyle Partners III, L.P.
- CVC European Equity Partners III
- Fenway Partners III
- First Reserve Fund IX, L.P.
- Gridiron Capital & Gridiron Strategic Advisors
- Heartland Industrial Partners, LP
- LS Power Equity Partners II L.P.
- Madison Dearborn Capital Partners IV, L.P.
- New Enterprise Associates - IndoUS Ventures LLC
- Pilot Group II
- Quintana Energy Partners, L.P.
- Thomas H. Lee Equity Fund VI, L.P.
- Warburg Pincus Private Equity VIII, L.P.
- Welsh, Carson, Anderson & Stowe IX

e. A&M provides consulting services to the entities listed below or affiliates of such entities (the “UC Entities”). The UC Entities and/or their affiliates have filed proofs of claim against the Debtors with respect to certain pre-petition transactions (the “Claims”). A&M’s services to the UC Entities are wholly unrelated to the Debtors’ chapter 11 cases or the Claims.

- Ambling Companies
- Synovus Financial Corporation

10. In addition, Curtis, Mallet-Prevost, Colt & Mosle LLP and its affiliates (“Cutis Mallet”) is representing A&M in connection with responding to a subpoena it has received in the adversary proceeding pending in this Court entitled *Lehman Brothers Holdings Inc. v. JPMorgan Chase Bank, N.A., Adversary Proceeding No. 10-03266*. Curtis Mallet also represents the Debtors in this matter.

11. A&M does not believe that any of the additional disclosures described above create conflicts of interest regarding the Debtors or their chapter 11 cases. A&M continues to believe that it is “disinterested” within the meaning of the term as it is used in section 101(14) of title 11 of the United States Code.

I declare under penalty of perjury that, to the best of my knowledge, and after reasonable inquiry, the foregoing is true and correct.

Dated: September 8, 2010
New York, New York

/s/ John Suckow
John Suckow, Managing Director